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ANALYSIS OF THE BUILDING-TRADES CONFLICT IN CHICAGO, FROM THE TRADES-UNION STAND-POINT.

ALTHOUGH it is yet too early to predict the outcome of the present conflict between the various interests in the building trades in Chicago, it is possible to take a survey of the contending parties and to analyze the forces at work.

Of all the labor troubles that have taken place in Chicago, the present one in the building trades is probably of greatest significance. The sympathetic railroad strike in 1894 presented a more spectacular appearance, from the presence of the United States troops, the burning of railroad cars, and the arrest of public traffic. But the whole affair was only a flash of the consciousness of power that always lies smouldering in the laboring classes. It was not based on any well prepared plan, nor sustained by organic effort, and was, consequently, doomed to be extinguished when it met with determined resistance.

The present conflict, however, is not the mere dash of a moment's irritation: the solid organizations—the outgrowth of years of experience—the consolidation of kindred interests within the ranks of labor as well as of capital, present a clear-cut manifestation of the economic and industrial forces. These forces mold society into well-defined classes, with interests that, when the time is ripe, will clash in inevitable conflict.

The federation of labor unions that constitutes the Building Trades Council presents the most perfect type of trade-unionism in America. We may see here as in a magic mirror the struggle of a century condensed into a few years: the desire for a greater participation in the fruits of labor, the sense of power in organization, the federation of individual unions for more effective demands, the effective control of the labor market. No better opportunity can be given for clearly understanding the forces that compel the existence of labor organization than the study of the situation within the building trades of Chicago.

Let us, therefore, see how the organization of the laborers came about and what is its influence upon the employing class, and then we may draw some general conclusions. There is one condition which makes an effective organization possible in the building trades, and that is the absence of elaborate machinery that can take the place of human labor. Where a branch of industry is operated with the help of extensive machinery—"fixed capital,"—an effective labor union becomes impossible. So, for instance, the Homestead steel works, where the once strong labor organization has been broken down. The same is the reason why the employees in the stockyards cannot be organized. The same fate has overtaken "Pullman Town." The men are dependent upon the machine, and the owner of the machine is also the master of the men.

But in the industry here under consideration the machine plays a comparatively unimportant part, existing only in the simple tools of the men. The individual's skill and knowledge cannot be supplanted by an automatic machine. Therefore, in the struggle for higher wages, the men are not hampered by the competition of machine labor that adds its strength to that of the employer, but it is man against man, the one indispensable to the other.

Another circumstance also adds to the possibility of effective unionism in this branch. There has hitherto been no strong organization among the employers that could have presented a solid front against the encroachments of labor. Even if one employer had been willing to refuse to sign the proposed wage scale, and had felt the power to do so, the fear that his competitor would have taken advantage of his enforced idleness would compel him to pay the general rate. Thus the competition among the employers would always leave chances of new employment for the laborers.

I.

It is impossible to give a complete history of the various unions constituting the Building Trades Council. It must suffice

to say that since 1886 trade unionism has rapidly grown, the eight-hour day has been extensively introduced, and wages have risen. But until 1890 there was no effort toward concerted action. The individual unions struggled on by themselves. In the summer of 1890 the carpenters were striking for better conditions. At one building where union bricklayers were employed the union carpenters went on strike. Their places were taken by non-union men. The strikers tried to induce the new men to leave the building, but the union bricklayers joined forces with the "scab" carpenters, and with their bricks drove their brother unionists away for interfering with the erection of a scaffolding upon which they (the bricklayers) were at work. However advantageous this may have been for the interests of the contractor, the men soon found that in fighting each other they could secure few advantages for themselves.

The increased activity within the building industry in 1892 in connection with the World's Fair raised the spirits of the trade union world, the present Building-Trades Council being organized as the result. Nothing could give a better insight into the character of this Council than a short review of its constitution. The preamble reads :

The object of this Council is to construct a central organization which shall subserve the interests of all the labor organizations engaged in the erection or alteration of buildings ; for the purpose of assisting each other when necessary ; thereby removing all unjust or injurious competition, and to secure unity of action for their mutual protection and support.

Membership.—Section 1. This Council shall be composed of delegates chosen as hereinafter prescribed by any *bona fide* labor organization, whose membership is composed of men engaged in the building trades.

Section 3. No person shall be eligible as a delegate to this Council who holds a political office, either elective or appointive ; or who is not a citizen of the United States ; or has not declared his intention to become such.

This rule has apparently been violated in the person of its president who is also a member of the Civil Service Commission.

Officers of the Council.—Section 1. The officers of this Council shall consist of a President, Vice President, Recording Secretary, Secretary-Treasurer, Reading Clerk, Sergeant-at-Arms, three Trustees, and three Directors.

Committees.—Section 1. There shall be appointed by the president . . . with the consent of the Council . . . a Credential Committee, Organization Committee, Grievance Committee, and Legislative Committee.

Duties of Standing Committees.—Section 3. It shall be the duty of the Grievance Committee to investigate all grievances that may be referred to the Council from time to time by organizations or delegates affiliated with this Council, said grievances to be presented in writing to the Council. All grievances must be referred to the Grievance Committee without debate.

Section 4.—It shall be the duty of the Legislative Committee to determine what legislation will be best for the interest of the laboring man, draft bills for such legislation, present them to the proper legislators, and report from time to time the best methods of securing the passage of the same, providing that no bill shall be presented to any legislative body without the sanction of this body.

Board of Business Agents.—Section 1. There shall be established as part of this Council a Board of Walking Delegates or Business Agents, composed of the properly elected business agents of the various unions represented in this Council.

Revenue.—Section 1. The revenue for the maintenance of the Council shall be derived from the subrenting of halls and the sale of working cards issued quarterly by the Council to the trades herein represented. One side of the card shall represent the Council, the other the trade to which the holder belongs.

These working cards play a very important part, for without a card a man cannot secure employment.

Assistance and Strikes.—Section 1. Agreements or demands for an advance in wages, or an abridgment in the hours of labor shall be presented to this Council in writing between the 1st of October and the 1st of April for their approval and indorsement.

Section 2. Said agreement or demand shall give full particulars and shall be read at two meetings before final action is taken. The Recording Secretary shall notify all organizations to have delegates present when, if concurred in by two thirds vote of all trades present in the Council, the action shall be binding. This does not prevent any trade from acting on its own responsibility.

Grievances and Arbitrations.—Section 1. Any organization or delegates having a grievance shall present the same to the Council in writing; no delegate shall sit in judgment on any case affecting the trade to which he may belong.

Section 2. When trouble occurs on any building or job, affecting any trade represented in this Council, it shall be the duty of the Business Agent to immediately endeavor to settle same with contractor or owners, in accordance

with the trade rules and to the satisfaction of the trade involved, failing in this and a strike being necessary, the Business Agent shall have power to call a general strike, but before doing so he shall lay the matter before the Council or Board of Business Agents at their next meeting and be governed by their action or decision, which shall be equally binding on all trades in this Council engaged on the job or building. When a trade has no Business Agent the Chairman of the Board shall have power to call members of said trade off when strike is ordered. It shall require a majority of the trades voting to order a strike. Unit rule to prevail.

Trade Rules.—Section 1. It shall be the special duty of this Council to use the united strength of all trades represented herein to compel all non-union men to conform to and obey the laws of the trade to which they should properly belong.

Section 4. No member of any trade affiliated with this Council shall be permitted to work on any building or job under police protection or be permitted to handle any material that is the product of convict labor.

Section 5. It shall be unlawful for members of one trade to do work pertaining to that of another without their consent. No member of any organization affiliated with this Council can carry working cards of any two building trades.

Section 6. Eight hours shall constitute a day's labor.

Section 7. All members of affiliated organizations are compelled to show their cards when requested by Business Agents or other member working on job, irrespective of trade, who is himself in possession of a card.

In connection with the constitution of the Building-Trades Council, it will be appropriate to give a few paragraphs from the constitution of the Board of Business Agents.

Article 2. The object of this Board shall be to unite and associate together all business agents for the purpose of mutual assistance, and to better accomplish the work in all parts of Chicago and Cook county.

Article 6. No association shall be entitled to more than one vote on any question, but any association having two or more walking delegates may be seated at any meeting.

Article 9. Any organization being represented in the Building-Trades Council not having a delegate in the field and having any trouble upon any building, it shall be the special duty of the Board to do all in its power to adjust and settle the trouble as far as possible.

Article 10. Whenever any agent has a grievance on a job, it shall be his duty to confer with the respective contractors, the architect, and owner, and do all in his power to accomplish a satisfactory settlement; failing in this, he may call upon the Board for assistance.

It need, perhaps, not be said that the Business Agent, so well known through the newspaper discussions as the "walking delegate," is the elected representative of the individual labor union. The advantage which this central organization gives to the laborers in their struggle for better conditions is twofold. The weaker union is placed upon the same level as the stronger one. Some of these unions have always been able to fight their own battles, because they have controlled the total labor power. The history of the Stone Cutters' Union has been one of almost unchecked advance, even in the face of the introduction of labor-saving machinery. The Plumbers' and Gas-Fitters' Unions have drawn within their ranks every member of their craft. But other unions, especially of the unskilled laborers, like the hod-carriers and building laborers, could not have attained their present position without the shielding power of the more fortunate unions. This fact reflects itself in their greatly increased wages, compared with other labor of the same class.

The second great advantage has been the power of the sympathetic strike. What this power means we shall see in the later discussion.

Nor does the effect of this organization end here. A kindred organization, called the Brotherhood of the Building Materials Council, is effected by all the various unions that make the materials handled by the building trades: woodworkers, brickmakers, etc. Although no formal agreement exists between these two councils for mutual support, yet the common brotherhood of labor will assert itself, as various occasions have made manifest. The woodworkers, in their struggle for recognition of their wage-scale, were helped by the refusal of the building trades to handle doors, windowsills, etc., that did not bear the woodworkers' label.

Before the subcommittee of the Industrial Commission that commenced its sittings in Chicago on March 20, 1900, to hear evidence regarding trade conditions, the complaint was made by a mason contractor that he had been compelled to cancel an order for brick from a non-union company, and to buy from a

company whose men were affiliated with the Brickmakers' Alliance. It is a notorious fact that the stone intended for the new Post Office building met the condemnation of the Building-Trades Council because it was cut in a non-union quarry.

On the other hand, the building trades can also count upon the support of the Building Material Council in an emergency. Add to this the financial and moral backing that the Building-Trades Council in Chicago receives from similar organizations in other leading cities, and we begin to comprehend the power which organized labor may assert and what influence it will have in the future.

II.

Let us next look at the situation within the employers' camp. Here we have associations formed by building contractors, as the Masons' and Builders' Association, Master Carpenters' Association, Chicago Master Plumbers' Association, Cut Stone Contractors' Association, etc., in all fourteen different associations. But as the necessity for mutual protection is not an ever-present reality to them in the same degree as to the workingmen, these associations have never embraced the full number of contractors in the various branches.

However, the growing strength of the Building-Trades Council would naturally tend to drive the contractors' associations into a closer union. In fact, the members of the former blame themselves that through their short-sightedness they made such an organization possible. In many of the agreements between the respective organizations of workingmen and contractors of the same branch during the years 1897 and 1898, there was a clause prohibiting the men from working for contractors that did not belong to the contractors' associations. Such an understanding existed, for example, between the Journeymen Plumbers and the Master Plumbers. The effect of this agreement was to drive every master plumber who needed to hire labor into the Master Plumber's Association. The men soon found that through this policy they were nursing a child that would grow to be their strong enemy. Nevertheless, from this nucleus

the present Building Contractors' Council has developed. It was formed in April 1899, but did not attain any importance until fall, when preparations for the coming trouble drove the contractors more firmly together. It has been estimated that more than 70 per cent. of the building done during the last year was done by contractors not belonging to the Council. At the outbreak of the trouble, there were about twenty-one hundred firms belonging to the Building Contractors' Council.

The rules of the Council are very few. The singleness of purpose obviates more explicit regulations. Among them are the following:

RULE I.

This organization shall be known as "The Building Contractors' Council," and its object shall be to foster, protect, and promote the welfare and interests of its members, engaged in the construction of buildings in Cook County, Illinois.

RULE VII.

Section 1. The Council shall have full power to take any action which may be for the best interests of any Association allied with the Council and, should the condition demand, a lock-out may be ordered by the Council to protect its interests.

Section 2. No Association allied with this Council shall hereafter enter into an agreement with their journeymen which shall prohibit a sympathetic lock-out.

RULE X.

Should any differences arise between employer and employee, whereby the interests of any Association shall be impaired, such Association may make a full statement of the facts, through the Secretary, to the Council, and he shall call a meeting of the Council to take active measures to secure and protect the interests and rights of the Association so aggrieved.

The spirit of organization has not exhausted itself here. The architects with whom the contractors naturally come in close contact formed a few years ago the Chicago Architects' Business Association. About two years ago they strengthened their union by inducing the legislature to pass a State License Law for architects. The license fee of twenty-five dollars proved an effective bar to many small architects, who on the border line between laborers, contractors, and architects tried with the sole help of their skill to gain economic advancement.

On February eighth resolutions were adopted by the Architects' Association:

(1) That we believe that an improvement in the methods of both contractors and unions could be suggested, but, as they are now before the public, we do not hesitate to sympathize with the employers of labor, inasmuch as the arbitrary rulings of the business agents have made impossible the arbitration proposed by the master builders looking to a settlement of the controversy. (2) That every effort be used to resist any attempt on the part of the unions to introduce contractors from outside to the displacement of those having contracts on hand, or to offer to the individuals composing said unions to complete any work now under the supervision of Chicago architects.

Alongside the contractors' union we have the organization of the material manufacturers, who furnish all the supplies to the contractors. It is a rule among all these supply-houses that they will not sell any supplies to the general public, but only to individuals or firms that make a regular business of their line of supply. This means that if an owner of a house needs to replace an old radiator, he cannot buy a new one from the supply house, but must go to a master steam fitter to have him do the work. It is further claimed—and a good deal of evidence has been adduced to prove it—that the supply men are not even impartial in their dealings with their legitimate constituency, but give rebates to members of the contractors' associations, and even in many cases refuse to sell altogether to firms outside this association. Thus a representative of the Masons and Builders' Association admitted before the Industrial Commission that members of his association received a rebate from the regular price in the purchase of bricks. The same is true of lime, vent linings, copings, etc. According to a rule of the Masons and Builders' Association the stone used for rubble and footing stone must be bought from members of the Chicago Stone Dealers' Association.¹ One contractor testified before the Industrial Commission that he had been fined a certain sum of money for buying materials from sources not recognized by his association. A firm of contractors that has been conspicuous throughout all this struggle because it has sided with the men

¹ See Chicago *Tribune*, November 29, 1899.

against the contractors admitted that the organized manufacturers had refused to sell to them.

These understandings between the associations of contractors and material men have been brought about by threats of withdrawal of custom and the mutual interest to build up a strong organization of men who can control large capitals, and consequently are able to obviate the friction and loss incurred in small sales.

Another of the advantages of these organizations lies in the possibility of "pooling." This means that when a contractor makes a contract with the owner of the prospective house, the interests of other contractors are also looked after. In 1897 there was an agreement between the excavators and the Master Masons' Association, whereby, if an owner wanted to put up a building and did the excavating himself, when he gave the rest of the work to the Master Masons' Association the excavator who was in with the combination of this association would compel the contractors that were figuring on the mason work in the building to add a considerable sum as his share of the total price. It has also been stated in the newspapers that the contractors who have been likely to bid on some desirable work have agreed about a minimum figure, the stipulation being that whoever was awarded the contract should pay a bonus out of the artificially increased profit to the rest of the combine. In the nature of things there is no impossibility nor even improbability that these "pools" should exist in strong organizations, where the individual members do not feel that they can take any other advantage of each other.

III.

We have so far outlined the positions in the two camps. Among the laborers there are various unions, some strong, others less so, affiliated into the central organization of the Building-Trades Council. In the background we see other similar organizations whose interests closely touch those of the building trades and who are ready to furnish what support and ammunition

conditions will allow. In the other camp we see a similar situation. The same self-interest has united the contractors' associations into the Building Contractors' Council, backed by the Architect's Association, real estate men, and the dealers in supplies. Watching them with intense excitement is the interested but impotent public. The retail dealer is gloomy, the department-store manager grumbles, the newspapers wave their sheets frantically, each cursing the faction that most affects his interests.

The status of the contestants at the beginning of the strike was as follows: Agreements were signed between the individual parties of each camp, some to remain in force till March 1, others till May 1, 1900, and still others not to expire till 1901. But the opportunity offered to take time by the forelock. The Building Contractors Council precipitated the struggle by adopting at a meeting held November 17, 1899, the following resolutions:

That on and after the first of January 1900, the trades represented in the Building Contractors Council shall not recognize,

1. Any limitation as to the amount of work a man shall perform during his working day.
2. Any restriction of the use of machinery.
3. The right of any person to interfere with the workman during his working day.
4. The sympathetic strike.
5. Restriction of the use of any manufactured material, except prison-made.
6. The right of the unions to prohibit the employment of apprentices.

These resolutions, when taken in connection with the following, would indicate that the issue is not a matter of wages but of the existence of the Building-Trades Council:

Resolved, That when the unions affiliated with the Building Trades Council have permanently withdrawn their support from said Council, and express a desire to treat with individual associations of like trades, and recognize the equal rights of all to work for whom they may see fit, and the right of the employer to hire and discharge whomsoever he may see fit, then we will pledge our individual associations to pay the rate of wages in force February 5, 1900; eight hours per day; six days per week; time and a half for overtime; double time for Sundays and holidays; no restrictions as to the use of manufactured material other than prison-made; no limitation as to the

amount of work a man shall perform in a day ; no restrictions as to the use of machinery ; each association will treat as to the methods of enforcing the above.

If the Contractors' Council found itself strong enough to break down the Building-Trades' Council, it would then see its way clear to regulate the wages in the individual unions according to its own estimate of efficiency and justice. The cessation of work began February 5. It is not within the scope of this paper to give the history of the struggle, nor to discuss the merits or demerits of either side, nor to decide whether the clash might have been avoided had either party made judicious concessions. Let us look rather to a few items that seem to be the point of contention :

Limitation as to the amount of work to be done in a day,
Restrictions in the use of machinery,
The arbitrary action of the business agent,
Sympathetic strikes.

Limitation as to the amount of work exists in the agreements of the Plumbers Unions, where a day's work is strictly defined. In the working rules of the carpenters there is this rule :

Any member guilty of excessive work or rushing on any job shall be reported and shall be subject to a fine of \$5.00. Any foreman using abusive language to, or rushing the men under his supervision, shall be fined not less than \$10.00 and ruled off the job.

This restriction of the amount of work means, so far as wages are concerned, a cut in the number of hours. The psychological effect of this enforced leisure upon the temper of the working-man is a matter difficult for a layman to judge of. Whether it would be better to demand a shorter working day and intense application instead of the present adjustment is a problem for the master and man to settle. The former system would undoubtedly lend itself less to declamatory effect.

In but one of the building trades has machinery on a large scale found entrance. Quoting the summary of a testimony before the Industrial Commission : "In June 1899, there were twenty-eight yards in the city of Chicago which were employing machinery. These yards represented 75 per cent. of the employing capacity of the labor market in this particular branch of the

trade. The value of the machinery in use at that time is estimated conservatively at \$110,000. This machinery has remained idle ever since June 1899, in consequence of the arbitrary action of the Stone Cutters' Union, and it is practically an absolute loss to the cut-stone contractors, as the machinery is fast becoming useless by reason of rust, corrosion, and loss of many parts due to its being inactive." The futility of struggling against labor-saving machinery has been demonstrated long ago; and the suffering of the men during the transition period has always been a cause of regret. It is surprising, therefore, that this union has been able to resist so long.

But the vital point in this whole struggle is the sympathetic strike. Beneath this phrase lies the key to the whole situation. The sympathetic strike is the *raison d'être* of the Building-Trades Council. To abolish the sympathetic strike is to abolish the Building-Trades Council. The Business Agent without the power of the Building-Trades Council behind him may advise and plead, but he cannot enforce the demands of his union. The grievance most frequently occurring is caused by the question of wages: the amount, the regular pay day, any attempts at "rebating," or returning part of the wage to the employer. Upon this question every union is keenly sensitive. Infringements of this rule cause most of the strikes, as a union considers anything less than the letter of the agreement a breach of contract. An employer may consider that a man is not worth the stipulated wage and may try to pay him accordingly; or some misunderstanding may arise which causes complaint; and the Business Agent, as the representative of both the union and the employee, steps in and, if the contractor is not willing to give satisfaction, has power to call an immediate strike.

Other causes also arise, in which the contractor is less immediately concerned, as, for instance, quarrels as to which of two unions shall do a certain work. Instances of this kind the papers have frequently given. Refusal to handle materials made in shops objectionable to the union is yet another cause for disagreement. In all these cases the employer has to deal with the

Business Agent. Both have the sense of power. The agent knows that if his grievance is plausible and he gets the support of the Building-Trades Council, he can completely tie up the business of the contractor, not only on the job under dispute, but on every job belonging to the contractor. If it is a matter of plumbing, for instance, the tying up of this work means the stopping of all work that other contractors have to do on the building. This naturally causes great irritation until the matter is settled with the original contractor.

This great power in the hands of the Business Agent tempts abuse, unless there are effective checks. Theoretically the constitution of the Building-Trades Council, composed of delegates from the various unions, before whom every grievance should come for decision, gives a sufficiently large representation of varied interests for a thoroughly circumspect consideration. But just here the weakness of the present system appears. The Board of Business Agents has grown to be the Building-Trades Council, and instead of being checked in a healthy manner by the latter organization, it sways the latter's decisions.

Reasonable demands made by the employers that the Building-Trades Council compel the individual unions to live up to their agreements, have been silently neglected, or met by the answer that a settlement satisfactory to the offending union will also be satisfactory to the Building-Trades Council. Many of the petty annoyances, as well as unreasonable positions that have characterized the dealings of the Business Agents, would have been averted, if the men at the head of the Council had been men of sufficient coolness and forethought duly to weigh the contending interests.

This is the first time that this whole organization has been put to a severe test. Its mistakes in the past have exposed its most vulnerable points. But if it survives—and even if it is broken down, the necessity for its existence will last as long as there are two independent unions—experience will teach it to reorganize a stronger central body, in closer touch with the men

in the individual unions, and to restrict the power of the Business Agent, whose professional position tempts him to arrogance and self-seeking.

IV.

It seems hardly satisfactory to regard as the only reason for the present strife between the two councils the fact that they exist. It seems almost too sanguine for the contractor to hope that he can break down the present labor organizations; for he will have to do this permanently to destroy the Building-Trades Council. Doubtless the present friction is intolerable; but the enormous financial issue involved would certainly prove a sufficient stimulus to find a less costly remedy. The persistent refusal of the contractors to accept mediation or advice—both private and public—would indicate that other more obscure interests are acting in the same direction.

During the past year there has been a rapid and, from the "cost-of-production" theory inexplicable, rise in the price of building materials. The following quotations give a pointed illustration view of this increase:

PRICES OF STRUCTURAL IRON.

Prices in 1898	Prices in 1899	Increase (per cent.)
Beams, 18 inches and over....\$1.55	Beams, 18 inches and over...\$2.50	161
Beams, 15 inches and under... 1.45	Beams, 15 inches and under.. 2.40	165
Zees 1.45	Zees 2.40	165
Angles over 6 in. x 6 in. 1.55	Angles over 6 in. x 6 in. 2.50	161
Angles under 6 in. x 6 in. 1.45	Angles under 6 in. x 6 in. 2.40	165
Plates at 1.90	Plates at..... 3.15	165

GALVANIZED WROUGHT IRON PIPE.

Cost per foot in 1898	Cost per foot in 1899	Increase (per cent.)
Size No. 1..... 2½ cents	Corresponding size..... 8 cents	320
Size No. 2..... 2¾	Corresponding size..... 8½	309
Size No. 3..... 3¼	Corresponding size..... 9½	292
Size No. 4..... 5¼	Corresponding size..... 13	247
Size No. 5..... 6¾	Corresponding size..... 18	266
Size No. 6..... 8	Corresponding size..... 22	275
Size No. 7..... 11⅞	Corresponding size..... 24½	220.
Size No. 8..... 34¼	Corresponding size..... 87½	261

BATH TUBS.

Cost in 1899	Cost of corresponding size in 1900	Increase (per cent.)
\$16.25	\$21.00	129
19.00	29.00	152
21.00	30.00	143
23.50	33.00	136

Building stone cost in 1898, \$7.50 per cord; in 1899, \$12.50.

Plumbers' brass goods have advanced during the same time an average of 25 per cent. The cost of labor used in the manufacture of the above articles has, on an average, not increased by as much as 10 per cent.

This enormous increase, built on an artificial basis, must lead slowly but surely to a break in prices within these classes of goods. The contractor's profit during the last year has been seriously reduced on account of the high cost of materials. Low prices are, of course, not equivalent to high profits; on the contrary, it is in times of prosperity, when prices are fair and business and work plenty, that the contractor has a chance to make his profits. But when prices are forced up, wholly on a speculative basis, the general public, although willing to invest, will refuse estimates based upon these prices.

Here the shrewd entrepreneur will forecast the future. If the indications are that these feverish prices have reached a climax or are near it, he will endeavor to postpone his business operations until he can make his calculations on a reduced price level. If he can precipitate this crisis by causing a shock to the market, his reputation for sagacity does not suffer. No better way to attain both of these ends could be found than to paralyze the business altogether by a general labor blockade. A strike is a sufficient excuse to postpone contracts, and it tends to cause a panic on the market. That speculations of this kind influenced the action of the Building Contractors' Council can, of course, not be proved. That it would have been reasonable for them to do so, later developments would indicate.

The action of J. W. Gates, of the American Steel and Wire Company, goes to confirm this theory. Compare also the following price quotations from the *Iron Age*, April 26, 1900.

A COMPARISON OF PRICES.

At date, one week, one month, and one year previous.

Advances over the previous month in **Heavy Type**. Declines in *Italics*.

	April 25, 1900	April 18, 1900	March 28, 1900	April 26, 1899
PIG IRON:				
Foundry Pig No. 2, Standard, Philadelphia	\$21.75	\$21.75	\$21.75	\$15.75
Foundry Pig No. 2, Southern, Cincinnati	20.00	20.25	20.25	14.50
Foundry Pig No. 2, Local, Chicago	23.00	23.50	23.50	15.50
Bessemer Pig, Pittsburg	24.50	24.50	24.90	15.00
Gray Forge, Pittsburg	20.00	20.00	21.00	14.50
Lake Superior Charcoal, Chicago	25.50	25.50	25.50	17.00
BILLETS, RAILS, ETC.:				
Steel Billets, Pittsburg	31.00	32.00	33.00	25.50
Steel Billets, Philadelphia	nom	nom	35.50	28.00
Steel Billets, Chicago	nom	nom	nom	25.50
Wire Rods, Pittsburg	nom	55.00	nom	32.00
Steel Rails, Heavy, Eastern Mill	35.00	35.00	35.00	25.00
Spikes, Tidewater	2.60	2.60	2.60	1.70
Splice Bars, Tidewater	2.20	2.20	2.60	1.40
OLD MATERIAL:				
O. Steel Rails, Chicago	17.50	18.00	18.00	11.50
O. Steel Rails, Philadelphia	22.00	23.00	23.50	14.50
O. Iron Rails, Chicago	21.00	22.00	22.00	18.00
O. Iron Rails, Philadelphia	24.00	24.00	25.00	18.00
O. Car Wheels, Chicago	24.00	24.00	24.00	15.00
O. Car Wheels, Philadelphia	23.00	23.00	22.00	15.00
Heavy Steel Scrap, Chicago	10.00	17.00	17.00	10.00
FINISHED IRON AND STEEL:				
Refined Iron Bars, Philadelphia	2.00	2.00	2.15	1.50
Common Iron Bars, Youngstown	2.00	2.00	2.15	1.50
Steel Bars, Tidewater	2.15	2.15	2.50	1.75
Steel Bars, Pittsburg	2.00	2.00	2.25	1.65
Tank Plates, Tidewater	2.00	2.00	2.05	2.20
Tank Plates, Pittsburg	1.80	1.90	2.00	2.10
Beams, Tidewater	2.40	2.40	2.40	1.65
Beams, Pittsburg	2.25	2.25	2.25	1.50
Angles, Tidewater	2.40	2.40	2.40	1.70
Angles, Pittsburg	2.25	2.25	2.25	1.50
Skelp, Grooved Iron, Pittsburg	1.90	1.95	1.97½	1.65
Skelp, Sheared Iron, Pittsburg	1.90	2.10	2.10	1.90
Sheets, No. 27, Chicago	3.35	3.30	3.20	2.90
Sheets, No. 27, Pittsburg	3.15	3.10	3.00	2.50
Barb Wire, f.o.b., Pittsburg	2.80	3.80	3.80	2.70
Wire Nails, f.o.b., Pittsburg	2.20	3.20	3.20	2.10
Cut Nails, Mill	2.50	2.50	2.50	1.65

A COMPARISON OF PRICES.—*Continued.*

	April 25, 1900	April 18, 1900	March 28, 1900	April 26, 1899
METALS:				
Copper, New York	17.00	17.00	16.80	19.25
Spelter, St. Louis.....	4.50	4.65	4.37½	6.50
Lead, New York.....	4.70	4.70	4.70	4.30
Lead, St. Louis.....	4.55	4.55	4.57½	4.17½
Tin, New York.....	30.00	31.25	31.50	25.30
Antimony, Hallett, New York.....	9.75	9.75	9.75	10.00
Nickel, New York.....	42.00	38.00	38.00	38.00
Tin Plate, Domestic, Bessemer, 100 lbs. New York.....	4.84	4.84	4.84	4.05

To the same effect is an editorial entitled "Prosperity and Strikes" which appeared on May 5, 1900, in the *Commercial and Financial Chronicle*:

High prices have a stimulating effect at certain times and on certain branches of industry, but at other times and in other lines of trade their effect may be disorganizing. The striking laborers in the building trades at Chicago and elsewhere have already learned this fact. They presented a bold front and made large demands, believing that the builders would have to yield. Instead of this they found the leaders so cramped already by the rise of 100 per cent. or more in the cost of materials that they were either glad of a valid excuse to revoke their contracts, or else were forced to refuse by the certainty of loss if their calculations of labor cost were upset. This is the simple explanation for the continuance of the strike in the building trades. The contractors really cannot afford to yield, as, if they could afford it, there would be no inducement to do so. Rightly or wrongly, the builders have believed that a considerable reduction in the price of their materials was at hand. The Steel and Wire Company, purchase of whose product enters directly into the cost of building operations, has already set the example. There was nothing, under such circumstances, to alarm the contractors in the prospect of a temporary forced interruption of business; the laborers simply played into the hands of their employers. Even in New York City, where there has been no general strike, the number of buildings begun in the first quarter of 1900, by the official record, was 754 less than in 1899, with an estimated cost reduced by \$20,032,000.

Under these circumstances it will pay the contractor, who has a large capital to carry him over, to protract the struggle till the inevitable collapse in prices of materials takes place. The small contractor who depends on his daily earnings, but who has

allied his interests to those of the larger contractor to break down the opposition to reduction in the cost of labor power, will naturally suffer keenly, and to him a protracted struggle means financial ruin. But on that hangs another tale.

In speaking to a contractor whose grasp of the business situation and long experience in his branch of business would entitle him to a hearing, the situation was outlined in this way: A large share of the building business in Chicago is done by the small contractors, whose capital enables them to hire only a few men. Though individually each does but a small business, yet their great number makes the aggregate profit considerable. But the tendency towards concentration is as strong in this industry as elsewhere. It is the large capitalist with better opportunities who wants to swallow the small fry. Consequently there is a fight not only between the contractor and the laborer, but also between the big contractor and the small one. But these who have to superintend and personally take part in the job have not the time nor the opportunity to meet for discussion of trade matters nor to get a broad, intelligent view of their common interests. Many of them are opposed to trade unions, because the high wages draw such a large share from the returns. Consequently they have been driven into the contractor's council by the impending struggle. This long cessation of work will be the financial ruin of many. Yet the outcome would be the same anyway, my informant added with a sigh, for the small contractor is bound to go.

If we may be allowed to make a few reflections in the concluding paragraphs of this exposition, something may be said as to the manner in which this fight has been carried on. One must admire the way in which the men have stood together unflinchingly for what they consider their rights. But one must condemn the excess of zeal which leads men to have recourse to physical force and bodily violence, such as have figured altogether too frequently in this controversy. One may even sympathize with the provocation which induces strikers to resort to violence,

but, apart from all question as to the honesty or justice of such a course, experience has taught that violence without the sanction of law never can bring any benefits to those who resort to it. If there is a sufficient number of non union men to take the places of the strikers, the strike must be lost. If there is an insufficient number, it is unnecessary to antagonize public opinion and give welcome weapons into the hands of the party attacked. In the latter case a persistent refusal to work is the only necessary and feasible policy.

This leads up to the relation of the Building-Trades Council, as a factor in politics, to the civic authorities. It is a notorious fact that this large labor organization has played an important part in city politics. This labor vote must be catered to by admitting some of their leaders to city jobs. The administration is "friendly to labor." This feeling is, of course, very laudable when it finds legitimate expression. But when an excited body of men knows that its excesses will be winked at and its lawlessness shielded, it is not apt to restrain its passions.

The actual lawlessness may not be as great as the newspapers try to make out, but the time is likely to come when the public, frightened by the continual stories of violence and riot, will believe the representations of the employers, that mob rule is threatening, and will yield to the cry for drastic measures. If violence had been prevented by a firm attitude at the first symptoms of lawlessness, it would not have been repeated, and the administration would have been saved the necessity of trying to impress the public by imposing police parades, soldiers, guns, and other like paraphernalia.

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